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DE RUEHMD #1008 2661049
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FM AMEMBASSY MADRID
TO RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0197
RUEHC/SECSTATE WASHDC PRIORITY 5353
INFO RUCNIRA/IRAN COLLECTIVE PRIORITY
RUCNRAQ/IRAQ COLLECTIVE PRIORITY
RUEHLA/AMCONSUL BARCELONA 3585

S E C R E T MADRID 001008

SIPDIS

E.O. 12958: DECL: 09/16/2018
TAGS: [ECON](#) [EFIN](#) [EINV](#) [ETRD](#) [KTFN](#) [PREL](#) [PARM](#) [PTER](#) [IR](#)
SP, IZ
SUBJECT: REPSOL CONFIRMS NO PLANS WITH IRAN AND INDICATES
INTEREST IN IRAQ

REF: A. MADRID 836
[1](#)B. MADRID 492

Classified By: Ambassador Eduardo Aguirre for reasons 1.4(b) and (d)

[1](#)1. (S) Ambassador Aguirre met September 17 with Repsol General Counsel and Secretary to the Board Luis Suarez de Lezo. During the discussion, Suarez de Lezo advised the Ambassador that, after Repsol had allowed to expire its option on its block in Iran's South Pars field (reftels), it had no remaining contractual relationships with Iran. (Note: A press report (ref b) at the time of the decision earlier this year had said that Repsol was seeking concessions for blocks 23 and 24, which would be developed in the next decade.) Suarez de Lezo said Repsol was not planning to engage in operations in Iran in the near future. Saurez de Lezo added, however, that Repsol would continue to maintain its contacts and relationships in Iran in order to be ready if and when Iran returns to good standing in the future. He reiterated once again that despite maintaining these contacts, Repsol would not engage in activities with Iran. The Ambassador applauded Repsol's decision, further stressing the importance of not entering into energy agreements with Iran.

[1](#)2. (S) Separately, the Ambassador explained that recent meetings with S/I Ambassador Satterfield indicated that Iraq's improving security situation and growing openness to private investment could be an opportunity for those companies interested in developing Iraq's oil and gas potential, especially if the Iraqis moved from small, piecemeal technical service contracts to a more market-based approach with production-sharing agreements. The Ambassador asked Suarez de Lezo whether Repsol would be interested in exploring potential operations in Iraq. Suarez de Lezo replied that Repsol would be very interested and committed to following up with Post. When he does, Post will put him in contact with the appropriate POC at Embassy Baghdad. Aguirre